

**BALLOT MEASURE
FULL TEXT OF MEASURE Z-06
CAYUCOS ELEMENTARY SCHOOL DISTRICT**

This proposition may be known and referred to as the Cayucos Elementary School District General Obligation Bond of 2006, or Measure Z-06

FINDINGS

The Cayucos Elementary School District (the "District"), which serves the community of Cayucos and a portion of unincorporated San Luis Obispo County, is a recognized leader in providing top quality education to San Luis Obispo County students.

The achievements have been accrued by the District as a result of the long history of visionary leadership from the Board of Trustees of the District (the "Board"), as well as from staff members, parents, and members of the District communities. During its long history, the District has benefited from a community, which supports its educational institutions by establishing high standards for academic achievement while at the same time providing the means required to meet and even to surpass those expectations.

In order to provide our local students with the same classrooms and school facilities as other California school districts, major repairs, upgrades, and classroom construction are necessary to ensure these buildings will remain functional for future generations.

The Board has prepared a facilities plan and identified significant repairs, upgrades, and classroom and facility construction needs that are more than the District is able to fund from currently available sources or annual revenues

The District has sought, and continues to seek, all available outside sources of funding to improve our school buildings, including local, state, and federal grants and state bond funds. Historically, the state requires that local school districts provide local funds as a condition of receipt of state matching funds.

It is necessary to seek voter approval of a bond measure in order to provide the local funding for identified school facility repairs, modernization projects, and growth needs to address student enrollment.

BOND AUTHORIZATION

By approval of this proposition by at least 55 percent of the registered voters voting on the proposition, the District shall be authorized to issue and sell bonds of up to \$ 2,900,000 in aggregated principal at interest rates below the legal limit, to provide finance for the specific school facilities projects listed in the Bond Project List attached hereto as Exhibit A-1, subject to all the accountability requirements specified below.

BOND PROJECT LIST

The Bond Project List attached to this resolution as Exhibit A-1 shall be considered a part of the ballot proposition and shall be reproduced in any official document required to contain the full statement of the bond proposition.

Approval of this Bond Measure (the "Measure") does not guarantee that the proposed project or projects in the District that are the subject of bonds under the Measure will be funded beyond the local revenues generated by the Measure. If state matching funds become available, they will be used for and applied to the Bond Project List as per Exhibit A-1.

ACCOUNTABILITY REQUIREMENTS

The provisions in this section are specifically included in this proposition in order that the voters and taxpayers in the District may be assured that their money will be spent wisely to address specific facilities needs of the District all in compliance with the requirements of Article XIII A, Section 1(b)(3), of the State Constitution and the Strict Accountability in Local School Construction Bonds Act of 2000 (codified at Education Code Sections 15264 and following.)

Evaluation of Needs. The Board has prepared an updated facilities plan in order to evaluate and address all of the facilities needs of the District. The Board hereby certifies that it has evaluated safety, class size reduction enrollment growth, and information technology needs in developing the Bond Project List contained in Exhibit A-1.

Independent Citizens' Oversight Committee. The Board shall establish an Independent Citizens' Oversight Committee pursuant to Education Code Section 15278 and following to ensure bond proceeds are expended only on the school facilities projects listed in Exhibit A-1. The committee shall be established within 60 days of the date when the results of the election appear in the minutes of the Board.

Performance Audits. The Board shall conduct an annual, independent performance audit to ensure that the bond proceeds have been expended only on the school facilities projects listed in Exhibit A-1.

Financial Audits. The Board shall conduct an annual, independent financial audit of the bond proceeds until all of those proceeds have been spent for the school facilities projects listed in Exhibit A-1.

Special Bond Proceeds Account: Annual Report to Board. Upon approval of this proposition and the sale of any bonds approved, the Board shall take actions necessary to establish an account in which proceeds of the sale of bonds will be deposited. As long as any proceeds of the bonds remain unexpended, the Superintendent of the District shall cause a report to be filed with the Board annually stating (1) the amount of bond proceeds received and expended in that year, and (2) the status of any project funded or to be funded from bond proceeds. The report may relate to the calendar year, fiscal year, or other appropriate annual period as the Superintendent shall determine and may be incorporated in the annual budget, audit, or another appropriate routine report to the Board.

FURTHER SPECIFICATIONS

No Administrator Salaries. Proceeds from the sale of bonds authorized by this proposition shall be used only for the construction, reconstruction and/or rehabilitation of school facilities including the furnishing and equipping of school facilities or acquisition or

lease of real property for school facilities and not for any other purpose, including teacher and administrator salaries and other school operating expenses.

The proceeds of the bonds will be deposited into a Building Fund to be held by the San Luis Obispo County Treasurer, as required by the California Education Code.